

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
INTEREST AND DIVIDENDS TAX RETURN
INSTRUCTIONS (continued)

WHO IS TAXABLE
RSA 77:3 and Rev 902.06

INDIVIDUALS	PARTNERSHIPS, LLC'S, ASSOCIATIONS	TRUSTS/FIDUCIARIES
IF: Inhabitants or residents of New Hampshire for any part of the taxable period; and Gross interest and dividend income from all sources exceeds \$2,400 during the taxable period.	IF: Entity has non-transferable shares; Gross interest and dividend income from all sources exceeds \$2,400 during the taxable period; Primary or central place of business in New Hampshire; and Any partner, trustee, member or owner is an inhabitant or resident of New Hampshire.	IF: Entity has non-transferable shares; Gross interest and dividend income from all sources exceeds \$2,400 during the taxable period; Fiduciaries derived their appointment from a New Hampshire court or the trust property is located in New Hampshire; and Trustee is an inhabitant or resident of New Hampshire.

WHAT IS TAXABLE
To the Individual Filer

The actual cash or property distributions you receive from partnerships, LLCs, associations, estates or trusts fall into one of the following three categories: entirely NOT taxable to New Hampshire, entirely taxable to New Hampshire, or taxable in part to New Hampshire. In general, you can determine which category your income falls into by answering the questions below.

- (A) **Is the organization required to file its own New Hampshire Interest and Dividends Tax return?** If yes, your entire distribution is NOT taxable to New Hampshire. See (1) below. Use reason code 6. If no, move on to question B.
- (B) **Does the organization have transferable shares?** Can you freely transfer your shares without causing a dissolution of the organization or without obtaining prior member approval? If yes, your entire ACTUAL distribution from this organization is taxable. See (2) below. If no, move on to (C), below.
- (C) **If the organization is not required to file its own New Hampshire Interest & Dividends Tax return AND the organization has non-transferable shares**, then the distribution you received from them is taxable to you as if it had come from its original source. The interest and dividend income subject to tax shall be imposed on the portion of the actual distribution which represents interest or dividends received by the entity. See (3) below. Use reason code 7.

INCOME FROM	WHAT IS TAXABLE	HOW TO SHOW THE TAXABLE PORTION
Partnerships LLC's Associations Trusts or Estates	(1) No part of your distribution is taxable to New Hampshire.	Not applicable.
	(2) All of your actual and constructive receipt of distribution (including non-cash distributions) from this entity is taxable to New Hampshire regardless of the original source of the income.	On page 2, Line 2, enter its entity code, list the name of the entity and its federal employer identification number. In Column IV enter the total amount of the distribution you received.
	(3) A portion of the distribution you received is taxable to you. The taxable portion is determined by multiplying the amount of the actual distribution received by a fraction. The numerator is the total interest and dividends received by the entity. The denominator is the total amount of gross income received by the entity.	On page 2, Line 2, enter its entity code, list the name of the entity and its federal employer identification number. In Column IV enter the total amount of the distribution you received. Enter the non-taxable amount on Line 4 and use Reason Code 7.
"S" Corporations	All actual and constructive receipt of distributions (including non-cash distributions) from an "S" corporation are taxable to New Hampshire regardless of the original source of the income.	On page 2, Line 2, enter entity code 2, list the name of the "S" corporation and its federal employer identification number. In Column IV enter the total amount of the distribution you received.

WHAT IS TAXABLE
To the Partnership, Limited Liability Company, Association or Trust

	WHAT IS TAXABLE	HOW TO SHOW THE TAXABLE PORTION
Partnership, Limited Liability Company, Association or Trust when all of the interest holders are residents or inhabitants of New Hampshire.	All interest and dividends received which would be taxable if received by a resident individual.	List the interest and dividend income on Lines 1(a), (b) and (c) and Line 2. Enter the non-taxable amounts on Line 4, Column IV, with the reason code and the payer's name and federal employer identification number.
Partnership, Limited Liability Company, Association or Trust when some of the interest holders are residents or inhabitants of New Hampshire.	Of the interest and dividends received, which would be taxable if received by a resident individual an amount proportionate to the aggregate interest of the partners or members who are inhabitants of this state.	List the interest and dividend income on Lines 1(a), (b) and (c) and Line 2. Enter the non-taxable amounts on Line 4, Column IV with the reason code and the payer's name and federal employer identification number. Use reason code 8 to reflect non-taxable interest and dividends allocated to non-New Hampshire residents interest holder.